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Tech spending on the rise while advisors use just 60% of their tools

By Rob Burgess

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Most financial advisors plan to boost their technology spending in 2025 — though many admit they aren't using their current tools to their full potential.

Those were among the key takeaways from this year's Orion Advisor Wealthtech Survey, which indicated that more than half the surveyed advisors, 54%, plan to increase their tech investment by an average of 19%. That's a notable jump from last year's survey, in which 48% planned an average increase of 16%.

Meanwhile, 84% said they plan to focus on providing personalized financial advice tailored to clients' unique needs and goals this year. Orion surveyed 585 advisors in December 2024 through Orion, Redtail and an independent, third-party sample.

Greg Guenther, a financial planner with GRANTvest Financial Group in Matawan, New Jersey, said the survey results highlight a clear trend that advisors are prioritizing technology investments at an increasing rate, with a particular focus on personalization and efficiency.

"The rise in planned tech spending suggests that firms are recognizing both the competitive advantage and client demand for more customized financial advice," he said.

The challenge of investing in — and the using — available tech tools

The survey also found that on average, advisors are utilizing just 60% of their tech stack, and 38% of advisors are focused on improving tech stack utilization this year. To Guenther, this finding raises an important question about efficiency.

"In my mind, investing in the right tools, rather than just more tools, will be key," he said. "Firms that can optimize their existing technology while strategically adding solutions that enhance personalization and client experience will be best positioned for long-term success."

John Yensen, president of IT company Revotech Networks, said from his experience, utilization remains a large challenge across most industries, with most firms only using a fraction of their tech stacks.

"Unfortunately, I wouldn't say that is surprising," he said. "I have seen businesses over the years adopt many new tools but really do struggle with integration and training. In my experience, cutting redundant or underutilized tools while optimizing core platforms leads to better efficiency and a stronger return on investment."

Lack of integration can be a problem

Orion CEO Natalie Wolfson also pointed to another part of the survey that found that on average, just 55% of the technology advisors use is integrated.

"When financial advisors use multiple, separate technology platforms that don't seamlessly integrate, it creates inefficiencies and data silos," she said.

But new tech isn't the answer for everyone

For advisors, it's not always about more tech, but the right tech. Stoy Hall, founder and CEO of Black Mammoth, an RIA in Ankeny, Iowa, said his firm has found by asking its clients what they want and need over the last couple of years that they don't want more tech.

"They simply want to see certain reports that are custom to their needs," he said.

Hall said this means his firm builds these reports in PDFs and in programs like Microsoft Excel and Canva. He said his firm also uses programs including RightCapital and Wealth.com.

"The rest we customize for our clients," he said.

Hall said this approach has reduced his firm's tech costs by thousands of dollars. But he acknowledged it might not work for others.

"The caveat being we also are a modern family office and have 27 clients, not thousands or hundreds," he said. "I see the movement away from industry-specific, or fancy-looking, tech, to something more customizable, specific to how the client wants to intake their data."